Is it correct to compare a bank's P/E ratio with a software company's P/E ratio?

No. It is not meaningful.

We need to use valuation metrics appropriate to their respective business models. The most commonly used metric for banks is P/B (Price-to-Book Value). Many software companies in the growth stage may not be profitable. The P/E ratio can be meaningless or negative.

A software company can multiply its revenues within a few years. A bank's growth, however, is slower and more limited, and it is more sensitive to economic cycles.

We should compare a bank with other banks and its own historical averages. We should compare a software company with other software companies in the sector based on P/S or EV/EBITDA ratios.

We can only use the P/E ratio when comparing companies within the same sector that have similar business models and growth stages.